



## 2008 California Volunteer Manual

Form 540

### TAXABLE INCOME

#### Line 12

##### State wages

Add up the amounts of state wages, tips, etc. from box 16 on each of your clients' Forms W-2 and enter the total on line 12.

#### Line 13

##### Federal adjusted gross income

Enter the federal adjusted gross income from:

- \* Form 1040EZ, line 4
- \* Form 1040A, line 21
- \* Form 1040, line 35

#### Lines 14 & 16

##### California Adjustments

Certain types of income are nontaxable in California, but taxable on your client's federal return. Frequently the difference is between the taxable amount of federal and California IRA distribution, pension, and annuity income.

If there are differences between your client's federal taxable income and state taxable income, complete a Schedule CA (540).

Enter income taxable to federal, but not to the state. Enter the amount from Schedule CA (540), column B, line 35 on line 14.

Enter income taxable to the state, but not to federal. Enter the amount from Schedule CA (540), column C, line 35 on line 16.